



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

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February 14, 2001

Mr. Robert C. Kirk
Financial Manager
Utah State Treasurer
215 State Capitol
Salt Lake City, Utah 84114

Re: Authorization to Release Funds, Jumbo Mining Company, Drum Mine, M/027/007,
Millard County, Utah

Dear Mr Kirk:

This letter is sent to authorize the release of the remaining funds being held by the Utah State Treasurer's office as reclamation surety for the Drum Mine, on behalf of the Division of Oil, Gas and Mining. These funds are presently being held in the Utah Public Treasurer's Investment Fund, escrow account number 6015. The Division entered into a Settlement Agreement with Western States Mineral Corporation (WSMC) wherein they agreed to perform reclamation of the mine site. The forfeited reclamation funds originally filed by Jumbo Mining Company (JMC) will be used to reimburse WSMC for performing reclamation tasks at the Drum Mine site.

As a part of the Settlement Agreement a percentage of the forfeited funds was paid to WSMC when the reclamation activities were initiated. WSMC has now completed the reclamation of the mine site and has formally requested the release of the remaining JMC funds, including any interest accrued to the date of release, according to the Settlement Agreement.

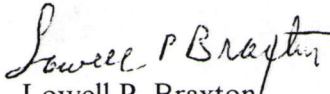
Please make arrangements to release the remaining principal and interest to WSMC and close out the escrow account. Make the effective date of this transaction to occur as soon as possible. Please forward the check for the final amount to WSMC to the attention of:

Mr John F. Carmody
Western State Minerals Corporation
4975 Van Gordon Street
Wheat Ridge, Colorado 80033

Page 2
Robert C. Kirk
M/027/007
February 14, 2001

Thank you for your assistance in this matter. If you have questions of concerns with this authorization please contact Mary Ann Wright at 538-5306 or D. Wayne Hedberg at 538-5286

Sincerely,


Lowell P. Braxton
Director

jb
cc: Craig Carver, Alferts & Carver
Rex Rowley, BLM, Filmore FO
Sally Wisely, State BLM
Kurt Seel, AAG
Carl Roberts, DOGM
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